

# Tax Reminders for March 2021

## Monthly Requirements

If your church reported withheld taxes of *\$50,000 or less* during the most recent lookback period (for 2021 the lookback period is July 1, 2019, through June 30, 2020), then withheld payroll taxes are deposited monthly. Monthly deposits are due by the 15th the following month.

Note, however, that if withheld taxes are less than \$2,500 at the end of any calendar quarter (March 31, June 30, September 30, or December 31), the church need not deposit the taxes.

Instead, it can pay the total withheld taxes directly to the IRS with its quarterly Form 941. Withheld taxes include federal income taxes withheld from employee wages, the employee's share of Social Security and Medicare taxes, and the employer's share of Social Security and Medicare taxes.

## Semiweekly Requirements

If your church reported withheld taxes of *more than \$50,000* during the most recent lookback period (for 2021 the lookback period is July 1, 2019, through June 30, 2020), then the withheld payroll taxes are deposited semiweekly with a bank. This means that for paydays falling on Wednesday, Thursday, or Friday, the payroll taxes must be deposited on or by the following Wednesday.

For all other paydays, the payroll taxes must be deposited on the Friday following the payday. Note further that large employers having withheld taxes of *\$100,000 or more* at the end of any day must deposit the taxes by the next banking day.

The deposit days are based on the timing of the employer's payroll. Withheld taxes include federal income taxes withheld from employee wages, the employee's share of Social Security and Medicare taxes (7.65 percent of wages), and the employer's share of Social Security and Medicare taxes (an additional 7.65 percent of employee wages).

For complete information, consult the [2021 Church & Clergy Tax Guide](#) by [Richard R. Hammar, JD, CPA](#). Visit [ChurchLawAndTax.com](#) for the expert insights you need to manage tax issues with confidence.

### Legal Disclaimer:

This content is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional service. If legal advice or other expert assistance is required, the services of a competent professional person should be sought. "From a Declaration of Principles jointly adopted by a Committee of the American Bar Association and a Committee of Publishers and Associations." Due to the nature of the U.S. legal system, laws and regulations constantly change. The editors encourage readers to carefully search the site for all content related to the topic of interest and consult qualified local counsel to verify the status of specific statutes, laws, regulations, and precedential court holdings.

© Christianity Today 2021. POSTING THIS PDF ONLINE AND THE CONTENT CONTAINED WITHIN, EITHER IN PART OR FULL, IS STRICTLY PROHIBITED.